



INDIANA HOUSING FINANCE AUTHORITY

REQUEST FOR PROPOSALS

for

Improving Neighborhoods Through Revitalization Planning Study

**INDIANA HOUSING FINANCE AUTHORITY
30 SOUTH MERIDIAN STREET
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INDIANAPOLIS, IN 46204
317-232-7777**

**ISSUE DATE: May 21, 2004
RESPONSE DEADLINE: July 7, 2004, 5:00 PM EST**



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PART 1 OVERVIEW

The Indiana Housing Finance Authority (IHFA) seeks to make resources available for strategic planning and the redevelopment of vacant lots in blighted neighborhoods. To accomplish this objective, IHFA has created the Improving Neighborhoods Through Revitalization (INTR) program. Through the INTR program, IHFA will offer a pilot program, for the redevelopment of neighborhoods in up to twelve cities or towns in Indiana.

The INTR program will consist of two separate and independent phases: planning studies and redevelopment loans. Each phase of the program will be viewed independently. Cities and towns who receive funding in phase one of the program are not guaranteed to receive funding in phase two of the program and cities and towns who do not receive funding in phase one are not excluded from receiving funding in phase two of the program. However, in either case, an approved planning study will be required in order to be eligible for phase two of the program. Participation in this program will not count against any other IHFA funding limitations.

Phase One:

Phase one consists of strategic planning in up to twelve communities throughout the state and culminates in the creation of a redevelopment plan. Cities and towns will identify a Residential Redevelopment Area (RRA) and outline a strategy for improving the area through multiple funding sources. Studies will then be reviewed for the applicable criteria and approved by IHFA. Funding can be used to update an existing study or conduct a new study and will be available up to \$20,000 per planning study.

Phase Two:

Phase two consists of the redevelopment of up to twelve RRAs that have approved planning studies through the new construction of affordable single-family homes for low to moderate-income homebuyers. IHFA will make available up to \$1,000,000 in zero-interest construction financing and development subsidies in each of the RRAs to undertake this redevelopment process. One proposal will be accepted from each RRA, however, in each proposal multiple entities may apply for construction financing. The total loans for all entities cannot exceed \$1,000,000 for the RRA. IHFA will contract individually with each entity for the construction financing.

Construction financing will be repaid to IHFA through the sale of homes to qualified low to moderate-income homebuyers. All homes assisted through construction financing and development subsidy must be sold to households whose income is at or below 80% of the Area Median Income (AMI) as published annually by the U.S. Department of Housing and Urban Development (HUD). Homebuyers do not have to be first-time homebuyers. Development subsidy will be available up to \$25,000 and must be justified through support documentation.

Additionally, IHFA will make available a mortgage product through participating lenders specifically to fund the purchase of homes in RRAs. This product is not limited to homes that were assisted with construction financing and development subsidy. Homebuyers must be at or below 125% of AMI but do not have to be first-time homebuyers. Mortgages will be at affordable rates and downpayment assistance will be available to qualified homebuyers whose income is at or below 80% AMI. All other IHFA mortgage products, including all First Home products and Mortgage Credit Certificates, are also eligible for use in RRAs.



1.1 OBJECTIVES FOR THIS PROPOSAL

IHFA seeks to contract with up to twelve incorporated cities and towns in the State of Indiana to conduct planning studies specific to their local community needs. IHFA anticipates entering into multiple one-time contracts for such services that are detailed in the Statement of Work and Performance Requirements section of the RFP. The qualified providers must be able to conduct a planning study in their city or town that meets all required criteria with cost that is reasonable and competitive.

The planning study will outline and define a RRA and a strategy for the development of vacant lots and structures in the RRA. Planning studies will be further used to determine eligibility for construction financing and homebuyer assistance.

1.2 PRE-PROPOSAL TECHNICAL ASSISTANCE

IHFA staff will be available for technical assistance for planning study RFPs. Technical assistance will be limited to clarification of the Statement of Work and Performance Requirements. Any city or town interested in technical assistance should contact Brian Philps, Allocation Analyst at bphilps@ihfa.state.in.us or Aaron Bailey, Compliance Monitor at abailey@ihfa.state.in.us or by calling IHFA at (800) 872-0371 or (317) 232-7777.

1.3 STATEMENT OF WORK AND PERFORMANCE REQUIREMENTS

A. Program Administration

All cities and towns must be able to complete the requirements of this RFP and submit information as required by the INTR Planning Manual. The manual is available on the IHFA Web site at: www.indianahousing.org.

B. Public Involvement

IHFA views citizen participation as a mandatory part of the planning study process. Proposals must include a minimum of three (3) public meetings to gain input from citizens and residents of the study area.

Public involvement should aid in:

1. Determining potential RRAs
2. Determining which qualified RRA will be selected for the program
3. Determining the strategies and action plan for the RRA
4. Determining the design and features of housing to be constructed in the RRA



C. Planning Study

The following elements and information must be included in all INTR planning studies and this type of organization should be utilized for the study.

- **Introduction:** Acknowledge the IHFA funding as well as all other entities involved with funding the study.
- **City or Town Profile and Analysis:** Collect and analyze population and demographic data to determine the characteristics of the community. The community profile and analysis must contain the following information for the city or town as a whole:
 1. Percentage of homeowners versus renters in age categories
 2. Age and condition of existing housing stock
 3. Quantity of vacant housing units in the city or town.
 4. Infrastructure/utility service and availability
 5. Suitable areas for homeownership activities
 6. Status of deteriorated housing stock and identification of land that is either vacant or in need of demolition
 7. Environmental issues including lead-based paint, contaminated soil, mold, underground storage tanks, etc.
- **Determine Residential Redevelopment Area (RRA):** Identify potential RRA(s). If more than one RRA is identified, provide which RRA is selected and process used for selecting.

An RRA is an area:

1. Zoned primarily for residential development;
2. Suffering from deteriorated housing stock or environmental contamination;
3. Unlikely to be developed by ordinary operation of private enterprise under the normal regulatory scheme;
4. Where redevelopment will benefit the health, welfare, and safety of residents;
5. With at least 20% of the land in the area is vacant or has buildings that need rehabilitated;
6. With at least 50% of residents earning less than the Area Median Income for their county;
7. That can demonstrate at least two (2) of the following:
 - There is a documented need for affordable housing in the city or town.
 - The rate of residential investment in the area has been minimal in recent years. Examples of minimal investment include, but are not limited to: low number of building permits, increases in vacancy rates, and increasing number of health and safety violations over the past 5 years.
 - Area property tax base growth rate is less than that of the city.
 - A significant number or area parcels have delinquent property tax bills.
 - Area building and safety code citations are proportionately greater than in the overall city or town.
 - There is a documented need for environmental or other site remediation in the area, including the existence of old utility lines and underground storage tanks.
8. That cannot encompass more than 25% of an entire city or town;
9. Where construction activities will not include areas within the boundaries of a 100-year floodplain.

All RRAs must have clearly defined boundaries that are supported by documentation and public input. The area encompassed by the RRA must be able to be redeveloped through the INTR program and other redevelopment activities in a five-year period.



- **RRA Profile and Analysis:** Collect and analyze population and demographic data to determine the characteristics of the RRA. The RRA profile and analysis must contain the following information:
 1. Percentage of homeowners versus renters in age categories
 2. Age and condition of existing housing stock
 3. Property value comparison between city and RRA
 4. Current zoning and a description of zoning classifications
 5. Infrastructure/utility service and availability along with any needed infrastructure
 6. Use requirements/possibilities outlining the preferred use and mix of unit sizes, types, and uses.
 7. Analyze the type of housing in the RRA available to low-income families, including single-family, multi-family, rental vs. owner-occupied, vacancy rates, quality of housing units and age, location issues, and other relevant factors.
 8. Suitable areas for homeownership activities
 9. Status of deteriorated housing stock and identification of land that is either vacant or in need of rehabilitation
 10. Environmental issues including lead-based paint, contaminated soil, mold, underground storage tanks, etc.
 11. Site improvements/clean up including demolition, creating construction ready sites, and updating infrastructure
 12. Services supporting affordable housing including what services are available for low-income households relative to housing; housing counseling services; housing maintenance and repair; foreclosure and default prevention; and programs to assist the homeless, elderly, disabled, single-parents, substance abusers, mentally ill, those aging out of foster care, and those being released from prison.
 13. Availability of housing for special populations, such as physically or developmentally disabled, elderly, those aging out of foster care, those being released from prison, children with elevated blood lead levels, and other special needs groups
 14. Positive/negative factors contributing to the development of the RRA
 15. A map of showing the existing neighborhoods and the RRA.
- **Design Standards:** New construction homes are intended to fit the style and characteristics of the existing neighborhood. Determine the types and styles of housing to be constructed in the RRA. The standards must include:
 1. Examples of existing housing styles located within the RRA. Include photographs of existing structures. Outline significant features to be replicated in new construction to ensure overall neighborhood continuity.
 2. Detailed design guidelines outlining acceptable building materials and uses, styles, and significant design features required in the RRA.
 3. Sample floor plans, elevations, and site plans of housing to be constructed that would meet the design guidelines
 4. Outline of how design guidelines will be enforced and/or example covenant to use to protect investment and design requirements
- **Environmental Review:** Conduct an environmental review for the RRA. The complete environmental review record for the RRA must be submitted with the plan. IHFA will then publish a notice requesting release of funds for the RRA. Section 106 historic review must also be conducted, with information and a recommended finding submitted for all of the sites proposed to be redeveloped using INTR funds. Additional information



and applicable forms are in the Environmental and Historic Review Handbook available on the IHFA Web site at: <http://www.in.gov/ihfa/comdev/allo/apps/environ/environ.htm>.

- **Market Affordability/Financial Feasibility Assessment:** Determine the market for housing in the RRA and costs associated with its construction. The assessment must include:
 1. A buyer analysis including what population(s) is/are being targeted including what AMI level(s) will be included in the targeting. Outline what percentage of the units will be sold as market rate housing and what percentage will be sold as INTR-assisted housing.
 2. Total Development Cost Estimate including estimated acquisition cost, construction costs, other costs, on a cost per unit basis.
 3. Financing sources and the availability of private-sector and public-sector funds for housing. Identify the major impediments to accessing these resources by low-income households, or owners and developers of low-income housing. Describe any adverse effects market conditions have on producing rental housing, promoting new homeownership, or serving large families. Include all IHFA-funded programs as possible financing sources including the INTR program.
 4. Describe the local economic base and any foreseeable problems in the local economy. Identify all major employers and regional developments that affect housing demand.
 5. Describe all possible sources of matching/leveraging funds. Identify sources that would qualify as eligible CDBG leverage, HOME match, and any other sources.
 6. Data on current market prices in the RRA and the expected market value of proposed new houses in the RRA. Include information on market rate housing as well as affordable housing.
- **Development Strategy:** Outline the development of the RRA and the resources that will be used. This strategy must include, but is not limited to:
 1. Identify strategies that can be used to address the identified housing needs in the RRA. Prioritize the strategies based on the degree and extent of need.
 2. Identify strategies that can be used to address all other identified needs in the RRA. Prioritize the strategies based on the degree and extent of need.
 3. Identify all potential sources of funding and financing for all types of housing in the RRA.
 4. Identify all potential sources of funding and financing for all types of redevelopment activities within the RRA.
 5. Identify all potential developers, construction companies, and/or organizations that will be used to address the needs of the RRA. Of these, determine which are eligible and interested in participating in the redevelopment of the RRA. Determine what developers, construction companies, and/or organizations will be used to construct INTR-assisted housing, all other forms of housing, and all other redevelopment activities to meet the needs of the RRA. Outline how these companies were chosen.
 6. Determine how many INTR-assisted properties each developer, construction company, and/or organization proposes to develop, with a maximum of ten homes.
 7. Determine the amount of revolving loan funds each developer, construction company, and/or organization will need in order to construct INTR-assisted properties. The total amount of revolving loan funds must not exceed \$1,000,000.



8. Identify the strategy for acquiring property within the RRA. The strategy must include a priority of property and order for acquisition. The strategy must also identify who will be acquiring the lots. Property may be acquired using eminent domain or voluntary acquisition. Regardless of the method of acquisition, all INTR-assisted properties must be vacant lots or vacant unoccupied property to be demolished and reused for homeownership. All Uniform Relocation Act requirements apply to all INTR-assisted properties.
9. Identify the strategy for developing property including a priority of which property will be developed first. This strategy must include:
 - a. Strategy for developing market rate single-family homes
 - b. Strategy for developing INTR-assisted single-family homes
 - c. Strategy for developing other forms of housing in the RRA
 - d. Strategy for meeting all other identified needs in the RRA
10. Identify the strategy for generating matching funds. The strategy should include all forms and amounts of HOME-eligible match.
11. Identify the marketing strategy that will be used for properties constructed in the RRA. Specifically outline marketing and outreach efforts for market rate single-family homes as well as INTR-assisted single-family homes.
12. Identify the process that will be used to complete the required income verification. Specify who will complete the income verification, and how potential homebuyers will complete the process.

- **Action Plan:** Outline the development of the RRA and the resources that will be used.
 1. Set forth the specific activities that should be taken during the 36-month term of the INTR loan to carry out the strategies that have been identified.
 2. Outline a timetable for implementation of the strategies. Identify major milestones and a proposed completion date for each major milestone. Major milestones include, but are not limited to: acquisition of lots, identification of homebuyers, start of construction date for each home, completion of construction date for each home, and closing on each home.
 3. Identify who or what organizations will oversee this process and that will be involved with implementing activities.
 4. Outline a public participation process to carry out the action plan. Describe the involvement of the local governing body and any appointed committee or task force. Describe the make-up of an appointed committee or task force, which should include representation by low-income residents.
 5. Outline the city's or town's involvement in implementation of the plan. Identify any financial commitment, services, and/or resources that will be committed by the city or town.

D. Conflict of Interest

No persons who exercise or have exercised any functions or responsibilities with respect to INTR Planning Study activities or who are in a position to participate in a decisionmaking process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. For further information, refer to the INTR Planning Manual.



E. Timeline

- May 21, 2004 – Release of Request for Proposals for Planning studies
- July 7, 2004 – Request for Proposals due for Planning Studies
- August 26, 2004 – Recommendations taken to the IHFA Board of Directors
- November 19, 2004 - Release of Request for Proposals for INTR Loans
- February 28, 2005 – Contract expiration – Planning Study submission deadline
- April 1, 2005 – Planning Study final approval deadline
- May 12, 2005 – Request for Proposals due for INTR Loans
- June 24, 2005 – Recommendations taken to the IHFA Board of Directors
- July 2005- Mandatory one-day training on administration and reporting requirements
- July 2005 – July 31, 2008 Construction of single-family homes
- July 31, 2008 – Contract expiration

F. Payment Schedule

IHFA will make payments to each city or town on a contract award basis on the following schedule:

Milestone	Required Documentation	Percentage of Contract Award Funds Released
Identification of (1) RRA and verification of eligibility	Invoice with documentation to support all requirements have been met	20%
Completion of public input process	Invoice with copies of sign-in sheets and summary of public comments	20%
Submission of Environmental Review and Section 106 Historic Review	Invoice with Environmental Review Record	20%
Submission of completed study	Invoice with copy of draft study to be reviewed by IHFA	30%
Final approval of Study	Invoice with approval letter from IHFA	10%

G. Approval of Study

In order to participate in phase two of the INTR program, a planning study must be approved by IHFA.

For planning studies not funded through the INTR program, the study must be submitted between August 26, 2004 and February 28, 2005 for approval. Existing studies cannot be more than two years old. IHFA will review the study and either approve or contact the city to revise any deficient areas of the study. Upon approval, a letter of approval will be issued.

For planning studies funded through the INTR program, the study must be submitted prior to February 28, 2005 for approval. The study must be approved by IHFA prior to releasing final payment. IHFA will review the study and either approve the study, or contact the city or town and responsible party to revise any deficient areas of the study. Upon approval, a letter of approval will be issued.



1.4 FORMAT FOR SUBMISSION, MAILING INSTRUCTIONS, AND DUE DATE

Proposal should be typed, double-sided and contain page numbers. Original should be clearly marked. The proposal should be binder clipped and have the Proposal Cover Sheet as the cover. Do not three-hole punch and put in a binder or spiral bind the proposal.

All cities and towns must retain a copy of the proposal submitted and these guidelines. Cities and towns that receive funding will be bound by information contained in both documents.

Proposals must be submitted in complete original form by mail or messenger to the following address:

Indiana Housing Finance Authority
Attn: INTR Planning RFP
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

On the due date, the applicant must submit the following:

- One (1) original RFP
- One (1) copy of the original RFP
- One (1) CD-ROM or diskette with a copy of the RFP

The deadline for submission is July 7, 2004 at 5:00 PM EST.

Late proposals will not be accepted. Faxed or e-mailed proposals will not be accepted.

IHFA's offices are located on the tenth floor of 30 South Meridian Street. Directions and a map of IHFA's offices are available at <http://www.in.gov/ihfa/contact/map/ihfamap.htm>.



PART 2 RFP PROCESS

2.1 PROPOSAL EVALUATION CRITERIA

The following will be IHFA's primary consideration in the selection of cities and towns to receive planning study funding:

1. Ability to creatively gain public input into the process. (15 points)
2. Access to skilled individuals and resources to complete the study. (15 points)
3. Ability to implement all items requested in Statement of Work and Performance Requirements. (20 points)
4. Identification of potential Residential Redevelopment Area(s) (20 points)
5. Competitive fees. (15 points)
6. Economic Impact. (15 Points)

2.2 SELECTION PROCESS

IHFA will evaluate all proposals based on the proposal evaluation criteria listed above. Final selection will be based on that evaluation and analysis and be at the sole discretion of the Indiana Housing Finance Authority.

2.3 RFP SUBMISSION ITEMS

Please address each item applicable to your experience under each category heading. Attach sheets as necessary with the name of your city or town shown on each page. The Certification of Bidder at the end of this RFP must be completed and should accompany your written attachments.

1. Public input
 - a. Detailed history of citizen participation process.
 - b. Procedures in place to maximize citizen involvement.
2. Skilled individuals and resources
 - a. Detailed list of all staff and/or consultants that will be used in preparing the planning study.
 - b. Resumes of all staff and/or consultants that will be used to conduct the study.
 - c. Procedures and resources in place to prepare the study.
3. Procedures for implementation
 - a. Detailed outline of the process that will be used to complete the study.
 - b. Detailed timeline outlining all major milestones to be completed in conducting the study.
4. Identification of potential Residential Redevelopment Areas
 - a. Listing of potential RRAs.
 - b. Summary of existing zoning demonstrating residential development in potential RRAs.
 - c. Detailed narrative outlining factors and indicators that demonstrate a potential RRA area exists. Include any supporting documentation that supports your factors or indicators.
 - d. Listing of any additional criteria that verify eligibility as an RRA.
 - e. Photographs of potential RRAs.
5. Competitive fees
 - a. Please provide your program proposal for services as described in the Statement of Work and Performance Requirements section of this RFP.



- b. Please provide a cost summary for previously conducted planning studies. This summary should outline the reasonableness of fees and support the amount of staff time required to complete the study.
- 6. Economic Impact
 - a. Detail how the development will contribute to the economic need of the city or town and further the city or town's economic goals. Examples of these may include job creation/job retention, increased need for daycare facilities, and/or impacts on transportation needs.

2.4 ADDITIONAL INFORMATION

Cities and towns submitting proposals and contractors participating in those proposals must:

- 1. Have the ability and capacity to provide the services herein requested.
- 2. Have the staff and/or resources available to complete the study.
- 3. Be authorized to do business in the State of Indiana as acknowledged by the Secretary of State. (Contractors only)



PART 3 TERMS AND CONDITIONS

This request is issued subject to the following terms and conditions:

1. This RFP is a request for the submission of proposals, but is not itself an offer and shall under no circumstances be construed as an offer.
2. IHFA expressly reserves the right to modify or withdraw this request at any time, whether before or after any proposals have been submitted or received.
3. IHFA may reject any or all submissions submitted in response to this request at any time prior to entering into a written agreement.
4. In the event the party selected does not enter into the required agreement to carry out the purposes described in this request, IHFA may, in addition to any other rights or remedies available at law or in equity, commence negotiations with another person or entity.
5. In no event shall any obligations of any kind be enforceable against IHFA unless and until a written agreement is entered into.
6. Each respondent agrees to bear all costs and expenses of its response and there shall be no reimbursement for any costs and expenses relating to the preparation of responses of proposals submitted hereunder or for any costs or expenses incurred during negotiations.
7. By submitting a response to this request, each respondent waives all rights to protest or seek any remedies whatsoever regarding any aspect of this request, the selection of a respondent or respondents with whom to negotiate, the rejection of any or all offers to negotiate, or a decision to terminate negotiations.

PART 4 CERTIFICATION

I hereby certify that the information contained in this proposal and any attachments is true and correct and may be viewed as an accurate representation of proposed services to be provided by this city or town. I certify that no employee, IHFA member, or agent of IHFA has assisted in the preparation of this proposal outside of the pre-proposal technical assistance as outlined in the RFP. I acknowledge that I have read and understand the requirements and provisions of this RFP for INTR planning study.

I _____ am the _____ of the
(type or print name of signatory authority) (highest elected official)
city or town named as bidder and respondent herein, and I am legally authorized to sign this proposal and submit it to the Indiana Housing Finance Authority on behalf of said city or town.

Signed: _____

Name: _____

Title: _____

Date: _____

City or town name: _____

